ADB

ADB FINANCIAL PROFILE 2012

Asian Development Bank

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Abbreviations

ADB	Asian Development Bank
ADBI	Asian Development Bank Institute
ADF	Asian Development Fund
APDRF	Asia Pacific Disaster Response Fund
ATF	Asian Tsunami Fund
CCF	Climate Change Fund
DMC	developing member country
JFPR	Japan Fund for Poverty Reduction
JSF	Japan Special Fund
JSP	Japan Scholarship Program
LBL	LIBOR-based loan
LCL	local currency loan
LIBOR	London Interbank Offered Rate
OCR	ordinary capital resources
OECD	Organisation for Economic Co-operation and Development
ORM	Office of Risk Management
PBL	policy-based lending
PEF	Pakistan Earthquake Fund
RCIF	Regional Cooperation and Integration Fund
TASF	Technical Assistance Special Fund

ADB Financial Profile 2012

The Asian Development Bank is a strongly capitalized, multilateral development bank, dedicated to reducing poverty in the Asia and Pacific region through inclusive economic growth, environmentally sustainable growth, and regional integration.

The Asian Development Bank (ADB) was established in 1966 under the Agreement Establishing the Asian Development Bank (Charter), which is binding upon the member countries that are its shareholders. As of 31 December 2011, ADB had 67 members, of which 48 were drawn from the Asia and Pacific region. Twenty-three ADB members were also members of the Organisation for Economic Co-operation and Development (OECD).

ADB is headquartered in Manila, Philippines and has offices worldwide including representative offices in North America (Washington, DC), Europe (Frankfurt), and Japan (Tokyo).

ADB's staff as of 31 December 2011 totaled 2,958 from 59 of its 67 members.

ADB in the Asia and Pacific Region

ADB's vision is "an Asia and Pacific region free of poverty."

ADB's mission is to help its developing member countries reduce poverty and improve living conditions and quality of life.

ADB will aim to make substantive contributions toward its vision by focusing its support on three strategic agendas: inclusive economic growth, environmentally sustainable growth, and regional integration.

Under ADB's long-term strategic framework adopted in 2008, ADB defines its role and strategic directions to guide operations through 2020, and enhances its relevance and effectiveness in assisting its developing member countries (DMCs).

Table 1: ADB at a Glance

as of 31 December ($ million)

	2011	2010	2009	2008
OCR Loan Approvals				
Sovereign	9,051	8,197	10,568	6,839
Nonsovereign Public	600	–	134	75
Nonsovereign Private	1,000	1,035	304	1,222
OCR Loan Disbursements				
Sovereign	5,621	5,272	7,449	5,878
Nonsovereign Public	70	75	–	54
Nonsovereign Private	645	598	449	540
Grants	614	982	924	707
Guarantees	417	700	–	–
Trade Finance Program	–	–	850	–
Equity Investments	239	235	220	103
Technical Assistance Grants	148	174	202	189
Cofinancing[a]	7,694	5,431	4,921	1,275
Authorized Capital	163,336	163,843	166,179	54,890
Subscribed Capital	162,487	143,950	60,751	54,890
Borrowings *(gross) (for the period)*	14,446	14,940	10,359	9,372
Outstanding Debt	58,257	51,822	42,063	35,672
Ordinary Reserve	10,460	10,030	9,790	9,532
Special Reserve	246	230	219	210
Gross Revenue *(for the period)*	1,096	1,142	1,472	2,064
Net Income *(loss)* after Appropriation of Guarantee Fees to Special Reserve *(for the period)*	594	614	(37)	1,119

– = nil, OCR = ordinary capital resources.

[a] Adjustments and terminations prior to signing are reflected.

Note: Totals may not add up because of rounding.

Source: Asian Development Bank Annual Report "The Record".

ADB Operations

To fulfill its mission, ADB promotes the economic growth and social development of its developing member countries by means of a wide range of activities and initiatives.

ADB finances loan projects and programs in the territories of its DMCs. It also provides technical assistance, grants, guarantees, and equity investments.

ADB also facilitates policy dialogues, provides advisory services, and mobilizes financial resources through cofinancing operations that tap official, commercial, and export credit sources. This maximizes the development impact of its assistance. Operations are financed from ordinary capital resources (OCR) and Special Funds.

ADB's Charter requires OCR and Special Funds to be at all times held and used separately from each other.

Ordinary Capital Resources

ADB's OCR operations are diverse, covering agriculture and natural resources; education; energy; finance; health and social protection; industry and trade; public sector management; transport and information and communication technology; multi-sector; and water supply and other municipal infrastructure and services. OCR loans are generally made to DMCs that have attained a higher level of economic development.

From its establishment through 31 December 2011, ADB had approved loans, net of terminations and reductions, aggregating $136,999.5 million in its ordinary operations. At 31 December 2011, the total amount of ADB's loans outstanding, undisbursed balances of effective loans, and loans not yet effective in its ordinary operations was $78,079.3 million. Of this total, 93.2% represented sovereign loans, that is, loans to the public sector (member countries and, with the guarantee of the concerned member, government agencies or other public entities). About 6.8% represented nonsovereign loans, that is, loans to private sector enterprises, financial institutions, and selected nonsovereign public sector entities.

OCR Funding Funding sources for OCR include paid-in capital, retained earnings (reserves), and proceeds from debt issuance. To finance its OCR lending operations, ADB issues debt securities in the international and domestic capital markets.

ADB's debt securities carry the highest possible investment ratings from major international credit rating agencies.

Table 2: Investment Ratings

Agency	Rating
Moody's Investors Service	Aaa
Standard & Poor's	AAA
Fitch	AAA

Operating Results and Highlights of 2011

(2010 figures in parentheses)

Consistent Historical Performance

ADB has achieved a consistent performance every year since its establishment, with very low levels of loan default. Operating income for 2011 amounted to $586.6 million ($548.0 million).

Loans—OCR ADB approved loans from OCR totaling $10,651 million in 2011 ($9,232 million[1]), including $1,600 million ($1,035 million[1]) to nonsovereign borrowers.

Equity Investments—OCR ADB approved equity investments of $239 million ($235 million[2]).

Borrowings ADB raised a total of $14,009 million ($14,940 million) in long- and medium-term funds and $621 million ($30 million) in short-term funds.

1 Net of one nonsovereign loan cancellation amounting to $18.0 million.
2 Net of one equity investment cancellation amounting to $8.0 million.

Credit Fundamentals

ADB's capital structure provides the greatest levels of security for fixed-income investors.

A Powerful Balance Sheet, Backed by Sovereign Shareholders

Subscribed capital consists of paid-in capital and callable capital.

Paid-in capital constitutes the equity portion of capital available for ADB's OCR operations, including lending. This is supplemented by retained earnings and leveraged by the proceeds of ADB's borrowings.

Callable capital is available to protect ADB's creditors—mainly investors in ADB's bonds and holders of ADB's guarantees—in the unlikely event of large-scale default by ADB's borrowers. ADB has never made a call on its callable capital.

ADB's shareholders consist of 48 developing and developed countries in the Asia and Pacific region, and 19 countries from outside the region. Each shareholder is represented on the Board of Governors, in which all of ADB's powers are vested. As of 31 December 2011, ADB's five largest shareholders are Japan (with 15.7% of total shares), the United States (US) (15.7%), the People's Republic of China (6.5%), India (6.4%), and Australia (5.8%). ADB members who are also members of OECD hold 64.6% of total subscribed capital and 58.6% of total voting rights.

Fifth General Capital Increase

In April 2009, the Board of Governors adopted Resolution No. 336, which provides for a fifth general capital increase (GCI V) in ADB's authorized capital stock and subscriptions of an additional 7,092,622 shares by ADB members. As of 31 December 2011, ADB had received subscriptions from 66 of 67 members totaling $108.0 billion, representing about 99.2% of the shares authorized under GCI V. Following the remaining member's advice that it will no longer subscribe to the allocated shares, the Board of Directors approved the conclusion of subscription to GCI V in January 2012.

Table 3: Capitalization

as of 31 December ($ million)

	2011	2010	2009	2008
Subscribed Capital	162,487	143,950	60,751	54,890
Callable Capital	154,336	136,535	56,641	51,029
Paid-in Capital	8,151	7,415	4,110	3,861
Less: Other adjustments[a]	3,493	3,500	434	84
Net Paid-in Capital	4,658	3,915	3,676	3,777
Retained Earnings	11,876	11,964	11,500	11,492
Total	**16,534**	**15,879**	**15,176**	**15,269**
Outstanding Borrowings (after swaps)	54,350	48,121	40,649	36,709
Total Capitalization	**70,884**	**64,000**	**55,825**	**51,978**

[a] Includes nonnegotiable, noninterest-bearing demand obligations on account of subscribed capital for 2011, 2010, and 2009.

Note: Figures may not add up because of rounding.

Table 4: ADB Shareholdings

as of 31 December 2011

OECD Members	%	Developing Members	%
Japan	15.65	People's Republic of China	6.46
United States	15.65	India	6.35
Australia	5.80	Indonesia	5.17
Canada	5.25	Malaysia	2.73
Korea, Republic of	5.05	Philippines	2.39
Germany	4.34	Pakistan	2.19
France	2.33	Thailand	1.37
United Kingdom	2.05	Taipei,China	1.09
Italy	1.81	Bangladesh	1.02
New Zealand	1.54	Others (Regional)	6.62
Netherlands	1.03		
Others (Nonregional)	4.11		
Total	**64.61**		**35.39**

OECD = Organisation for Economic Co-operation and Development.

Credit Fundamentals

ADB maintains the highest reputation as a borrower in financial markets as a result of strong governance and conservative financial management.

Conservative Financial Management

Two fundamental principles underpin ADB's strength:

- **Lending limitation** Under ADB's lending policy, the total amount of disbursed loans, approved equity investments, and the maximum amount that could be demanded from ADB under its guarantee portfolio may not exceed the total amount of ADB's unimpaired subscribed capital, reserves, and surplus.

- **Borrowing limitation** Under ADB's borrowing policy, ADB's gross outstanding borrowings may not exceed the sum of callable capital of non-borrowing members, paid-in capital, and reserves (including surplus).

ADB's conservative financial management policies have consistently held its loans and borrowings well within these limits. As of 31 December 2011, ADB's total amount of disbursed loans, approved equity investments, and the maximum amount that could be demanded from ADB under its guarantee portfolio was equivalent to 29.2% of the lending ceiling while ADB's gross outstanding borrowings were equivalent to 48.6% of the borrowing ceiling.

The primary objective of ADB's investment strategy is to ensure the optimal level of liquidity and capital preservation. Subject to this objective, ADB seeks to maximize the total return on investments. As a result, ADB's liquidity portfolio is managed prudently and conservatively. Liquid investments are held in government and government-related debt instruments, time deposits, and other unconditional obligations of highly rated banks and financial institutions. To a limited extent, they are also held in corporate bonds that are rated at least A–.

Liquidity consists of 23 currencies managed in portfolios specific to a designated purpose. The purpose of the working capital portfolios (operational cash and cash cushion portfolios) is to manage ADB's short-term cash flow requirements and to hold the proceeds of the borrowing transactions pending disbursement. The discretionary liquidity portfolio is funded by debt and is intended to provide flexibility in executing ADB's funding program by borrowing ahead of cash flow needs, avoid refinancing risk from a concentration of large borrowings, and smoothen the capital market presence. The equity-funded core liquidity portfolio ensures that ADB can meet its minimum net cash requirement by sustaining an uninterrupted supply of funds for 18 months under normal and stress conditions.

Table 5: Year-End Balances and Returns on Liquidity Portfolios

	Year-End Balance[a] ($ millions)		**Annualized Financial Return** (%)	
	2011	**2010**	**2011**	**2010**
Core liquidity portfolio	14,400	12,592	3.44	3.50
Operational cash portfolio	196	218	0.09	0.15
Cash cushion portfolio	2,136	1,933	0.57	0.46
Discretionary liquidity portfolio	4,408	3,091	0.44[b]	0.30[b]
Others	562	453	3.57	1.36
Total	**21,701**	**18,286**		

[a] Including receivables for securities repurchased under resale arrangements, securities transferred under securities lending arrangements, unsettled trades, and accrued interest. The composition of the liquidity portfolio may shift from year to year as part of the ongoing asset and liability management and liquidity management operations.

[b] Spread over funding cost at 31 December

Note: Figures may not add up because of rounding.

Credit Fundamentals

Risk management is a core discipline that plays a leading role in all ADB policy decisions and executive actions.

Comprehensive Risk Management

ADB has various management level committees with oversight responsibility for and decision-making authority on risk issues. The Office of Risk Management (ORM) has the overall responsibility for monitoring and managing financial and operational risks.

In carrying out its mission, ADB is exposed to various risks such as (i) credit risk, (ii) market risk, (iii) liquidity risk, and (iv) operational risk. In this connection, ORM develops and implements policies and procedures to measure, monitor, and control these risks. ADB's risk management governance also includes a Risk Committee that provides high-level oversight of ADB's risks and recommends risk policies and actions to the President.

ADB conducts risk assessments of new nonsovereign transactions, provides independent monitoring following origination, and assumes responsibility for resolving distressed transactions when necessary. ADB also monitors its market and treasury risks, such as the credit quality of counterparties, interest rate risk, and foreign exchange risk. Finally, ADB monitors limits and concentrations, sets aside loan loss reserves, establishes loan loss provisions including collective provision requirements, and assesses its capital adequacy.

Credit Risk—Sovereign

Sovereign credit risk is the risk that a sovereign borrower or guarantor will default on its loan or guarantee obligations. ADB manages its sovereign credit risk through loan loss reserves and the maintenance of conservative equity levels. ADB's ordinary capital resources have not experienced any loss of principal from sovereign operations. When countries have delayed payments, they have generally returned their loans to accrual status and ADB has never had to write off a sovereign loan funded from OCR.

ADB charges provisions against income for a specific transaction if it is considered impaired. In addition, ADB also appropriates loan loss reserves in the equity section of its balance sheet for the average loss that ADB could incur in the course of lending. The provisions are based on projections of future repayment capacity. The loan loss reserve is based on the historical default experience of sovereign borrowers to multilateral development banks. The sum of the provisions and loan loss reserve represents ADB's expected loss for sovereign operations.

Credit and Equity Risk—Nonsovereign

Nonsovereign credit risk is the risk that a borrower will default on its loan or guarantee obligations where ADB does not have recourse to a sovereign entity. ADB's nonsovereign credit risk is considered more significant because of the uncertain economic environment in some of ADB's markets. In addition, ADB's exposure is concentrated in the energy and finance sectors. ADB employs various policy-based measures to manage these risks.

ADB's Investment Committee and Risk Committee oversee risks in the nonsovereign portfolio. The Investment Committee, chaired by a Vice-President, reviews all new nonsovereign transactions for creditworthiness and pricing. The Risk Committee, chaired by the Managing Director General, monitors aggregate portfolio risks and individual transactions whose creditworthiness has deteriorated. The Risk Committee also approves or endorses policy changes in managing the portfolio's risks and approves provisions for impaired transactions.

ADB manages its nonsovereign credit risk by assessing all new transactions at the concept clearance stage and before final approval. Following approval, all exposures are reviewed at least annually; more frequent reviews are performed for those transactions that are more vulnerable to default or have defaulted. In each review, ADB assesses whether the risk profile has changed, takes necessary actions to mitigate risks, and either confirms or adjusts the risk rating, and updates the valuation for equity investments, including assessing whether impairments are considered other than temporary. ADB will provide specific provisions when necessary in accordance with its provisioning policy.

ADB recognizes specific loan loss provisions in its income statement for known or probable losses in loans or guarantee transactions, and recognizes collective provisions in its income statement for unidentified probable losses that exist in disbursed loan transactions rated below investment grade. In addition, ADB appropriates loan loss reserves in the equity section of its balance sheet for the average loss that ADB would expect to incur in the course of lending for credit transactions rated investment grade and for the undisbursed portions of credit transactions rated worse than investment grade. Specific provisions are based on projections of future repayment capacity. The collective provision and loan loss reserve are based on historical default data from Moody's Investors Service that is mapped to ADB's portfolio. ADB annually tests whether this external data reasonably corresponds to ADB's actual loss experience and may adjust estimates based on this back testing. The sum of the specific provision, collective provision, and loan loss reserve represents ADB's expected loss for nonsovereign operations.

ADB uses limits for countries, industry sectors, corporate groups, obligors, and individual transactions to manage concentration risk in its nonsovereign portfolio.

Credit Risk—Liquidity Portfolio

Issuer default and counterparty default are credit risks that affect the liquidity portfolio. Issuer default is the risk that a bond issuer will default on its interest or principal payments, while counterparty default is the risk that a counterparty will not meet its contractual obligations to ADB.

To mitigate issuer and counterparty credit risks, ADB transacts only with financially sound institutions with ratings from at least two reputable external rating agencies. Moreover, the liquidity portfolio is generally invested in conservative assets, such as money market instruments and government securities. In addition, ADB has established prudent exposure limits for its corporate investments, depository relationships, and other investments.

ADB has strict counterparty eligibility criteria to mitigate counterparty credit risk arising through derivative transactions. In general, ADB will only undertake swap transactions with counterparties that meet the required minimum counterparty credit rating, have executed an International Swaps and Derivatives Association Master Agreement or its equivalent, and have signed a credit support annex. Under the credit support annex, derivative positions are marked-to-market daily and the resulting exposures are generally collateralized by US dollar cash and/or US Treasuries. ADB also sets exposure limits for individual swap counterparties and monitors these limits against current and potential exposures. ADB enforces daily collateral calls as needed to ensure that counterparties meet their collateral obligations.

ADB has a conservative policy toward fixed-income securities, and the credit risk associated with this portfolio is consequently low. Sovereign and sovereign-guaranteed securities represent 91% of ADB's fixed income assets. The remainder is in corporate bonds that are rated at least A–. ADB has monitored market developments closely, such as the US sovereign credit rating downgrade and the European sovereign debt crisis and adjusted its risk exposures accordingly. ADB's mortgage-backed securities and asset-backed securities portfolios were liquidated shortly after the US credit rating downgrade in August 2011.

Market Risk

Market risk is the risk of loss on financial instruments because of changes in market prices. ADB principally faces three forms of market risk: equity price risk (as discussed in Credit and Equity Risk—Nonsovereign), interest rate risk, and foreign exchange risk.

Market Risk—Interest Rate

Interest rate risk in the operations portfolio is hedged because ADB matches the base rate for the borrowers' interest payments to ADB's borrowing expenses. Therefore, the borrower must assume or hedge the risk of fluctuating interest rates, whereas ADB's margins remain largely constant.

ADB is primarily exposed to interest rate risk through the liquidity portfolio. ADB monitors and manages interest rate risks in the liquidity portfolio by employing various quantitative methods. It marks all positions to market, monitors interest rate risk metrics, and employs stress testing and scenario analysis.

ADB uses duration and interest rate value-at-risk (VaR) to measure interest rate risk in the treasury portfolio, with particular attention to the core liquidity portfolio, which is the most exposed to interest rate risk. Duration is the estimated percentage change in the portfolio's value in response to a 1% parallel change in interest rates. Interest rate VaR is a measure of possible loss at a given confidence level in a given time frame because of changes in interest rates. ADB uses a 95% confidence level and a 1-year horizon. In other words, ADB would expect to lose at least this amount once every 20 years because of fluctuations in interest rates.

Market Risk—Foreign Exchange

ADB ensures that its operations have minimal exposure to exchange rate risk. In both the operations and liquidity portfolios, ADB is required to match the currency of its assets with the currencies of liabilities and equity. Borrowed funds or funds to be invested may only be converted into other currencies provided that they are fully hedged through cross-currency swaps or forward exchange agreements. However, because of its multicurrency operations, ADB is exposed to fluctuations in reported US dollar results due to currency translation adjustments.

Liquidity Risk

Liquidity risk can arise if ADB is unable to raise funds to meet its financial and operational commitments. ADB maintains core liquidity to safeguard against a liquidity shortfall in case ADB's access to the capital market is temporarily denied. The overriding objective of this liquidity policy is to enable ADB to obtain the most cost-efficient funding under both normal and stressed situations and manage liquidity optimally to achieve its development mission. The Board of Directors approved a revised liquidity policy framework in December 2011. The revised policy was designed to follow sound banking principles in supporting and sustaining ADB's superior financial strength and redefined the prudential minimum liquidity as 45% of the 3-year net cash requirements. This represents the minimum amount of liquidity necessary for ADB to continue operations even if access to capital markets is temporarily denied. Maintaining the prudential minimum liquidity level is designed to enable ADB to cover normal net cash requirements for 18 months under normal and stressed situations without borrowing. The liquidity levels and cash requirements are monitored on an ongoing basis and reviewed by the Board of Directors quarterly. The new policy allows for the discretionary liquidity portfolio to maintain a debt funded sub-portfolio that will be excluded from the net cash requirements and prudential minimum liquidity calculations.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. ADB is exposed to many types of operational risk, which it mitigates by applying sound internal controls and monitoring of areas of particular concern. In addition, ADB has rolled out operational risk self-assessments in several departments for risk identification and assessment to ensure operational risks are effectively managed. In 2011, ADB also conducted a business impact analysis to further strengthen business continuity, including business continuity of information technology infrastructure and at selected resident missions, to reduce the impact of disruptions.

Capital Adequacy

ADB's most significant risk is the risk of a large portion of its loan portfolio going into default. ADB measures credit risk in terms of both expected and unexpected losses. For expected losses, ADB holds loan loss reserves and provisions. For unexpected losses, ADB relies on its income-generating capacity and capital, which is a financial institution's ultimate protection against unexpected losses that may arise from credit and other risks.

ADB principally uses stress testing to assess the capacity of its capital to absorb unexpected losses. The framework has two objectives. First, it measures ADB's ability to absorb income losses because of a credit shock. Through this monitoring, ADB reduces the probability that it would have to rely on shareholder support, such as additional paid-in capital or a capital call. As a result, ADB not only protects its shareholders but also supports its AAA credit rating, which reduces ADB's borrowing costs and consequently its lending rates.

Second, the framework evaluates ADB's ability to generate sufficient income to support loan growth after a credit shock. As a development institution, ADB's mandate becomes more important during a financial crisis when some of its DMCs may find their access to capital markets to be limited. This second requirement ensures that ADB will have the capacity to lend under such adverse conditions.

For the stress test, ADB generates thousands of potential portfolio scenarios and imposes credit shocks that are large enough to account for 99% of those scenarios. ADB then assesses the impact of these shocks on its capital by modeling the ratio of equity to loans over the next 10 years. Throughout 2011, the stress test indicated that ADB had adequate capital to absorb the losses of a severe credit shock and to continue its development lending.

Asset and Liability Management

The objectives of asset and liability management for ADB are to safeguard ADB's net worth and capital adequacy, promote steady growth in ADB's risk-bearing capacity, and define sound financial policies to undertake acceptable levels of financial risks. The aim is to provide resources for developmental lending at the lowest and most stable funding cost to the borrowers along with the most reasonable lending terms, while safeguarding ADB's financial strength. ADB's asset and liability management safeguards net worth from foreign exchange rate risks, protects net interest margin from fluctuations in interest rates, and provides sufficient liquidity to meet ADB's operations. ADB also adheres to a cost pass-through pricing policy for its loans to sovereign borrowers, and allocates the most cost-efficient borrowings to fund these loans. In 2006, ADB clarified and formalized its asset and liability management objectives and practices through a comprehensive policy framework approved by the Board of Directors. The framework guides all financial policies related to asset and liability management, including liquidity, investments, equity management, and capital adequacy.

Borrowing Operations

A leading triple-A borrower in the international markets, ADB raises funds regularly through international and domestic capital markets.

Efficient fund raising is critical to ADB's fulfilling its mission of reducing poverty in Asia and the Pacific.

ADB's annual borrowing program is carefully planned to meet the requirements of its lending operations, debt redemptions, and liquidity policy within the context of a dynamic market environment.

ADB's estimated borrowing requirement over the next 3 years is in the range of $14 billion–$16 billion per annum.

Objectives

ADB's overriding borrowing objective is to ensure availability of funds at the most stable and lowest possible cost for the benefit of its OCR borrowers. Subject to this objective, ADB seeks to diversify its funding sources across markets, instruments, and maturities.

To achieve its borrowing objectives, ADB pursues a strategy of

- issuing liquid benchmark bonds to maintain a strong presence in key currency bond markets; and
- raising funds through cost-efficient, private placement, and opportunistic financing in various currency markets.

ADB also seeks to develop domestic capital markets in its DMCs through local currency borrowings and derivative activities.

Table 6: Borrowings

as of 31 December ($ million)

	2011	2010	2009	2008
Outstanding Borrowings (before swaps)	58,257	51,822	42,063	35,672
Medium- and Long-Term Borrowings				
Public Offerings	10,565	10,726	7,644	4,794
Private Placements	3,444	4,214	2,715	4,578
Number of Transactions				
Public Offerings	16	20	9	11
Private Placements	52	72	35	102
Number of Currencies (before swaps)				
Public Offerings	6	6	4	4
Private Placements	7	7	4	6
Short-Term Borrowings[a]	**621**	**30**	**340**	**2,867**

[a] At year-end, the outstanding principal amount was $438 million in 2011 and nil in 2010.

Table 7: Average Maturity of New Borrowings

	2011	2010	2009	2008
Average Final Maturity (years)	6.8	6.1	5.2	4.4
Average Maturity to First Call (years)	4.6	4.9	3.8	3.5

Borrowing Operations

ADB borrows in a broad range of currencies, instruments, markets, and maturities, reflecting its policy to diversify its borrowings and broaden its investor base.

Financing Instruments

On 31 December 2011, ADB had outstanding aggregate principal borrowings of $58,257 million and an average maturity of 3.5 years.

In 2011, ADB completed 68 borrowing transactions, raising about $14.0 billion in long- and medium-term funds, compared with $14.9 billion in 2010. The new borrowings were raised in nine currencies: Australian dollar, Brazilian real, Mexican peso, New Zealand dollar, Norwegian krone, pound sterling, South African rand, Turkish lira, and US dollar. All the 2011 borrowings were swapped into US dollars floating-rate liabilities. The average maturity of ADB's 2011 borrowings was 4.6 years, compared with 4.9 years in 2010. Of the total 2011 borrowings, $10.6 billion was raised through 16 public offerings including three global benchmark bond issues in US dollar amounting to $5.5 billion. The remaining $3.4 billion was raised through 52 private placements. In addition, ADB raised $620.6 million in short-term funds under its Euro Commercial Paper Programme to enhance its presence in the market and to meet temporary cash needs.

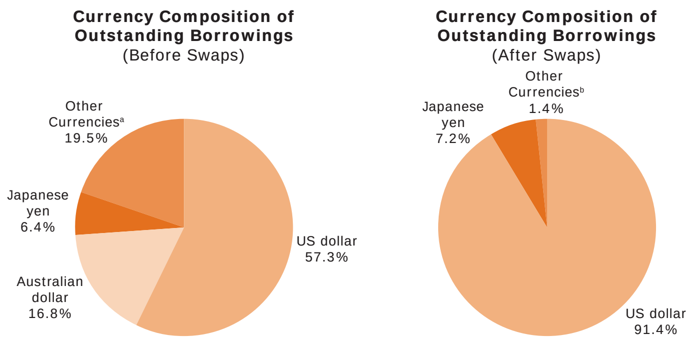
In May 2011, ADB launched its first NKr1.25 billion ($227.0 million equivalent) public offering bond and in October 2011, reopened the existing Norwegian krone issue in the amount of NKr 250.0 million ($43.1 million equivalent), bringing the outstanding principal to NKr1.5 billion ($270.2 million equivalent). ADB also issued its inaugural £400.0 million ($645.4 million equivalent) pound sterling-denominated floating rate note. Following the success of ADB's thematic bonds in 2010, ADB issued two water-themed private placements in 2011 totaling $40 million. ADB also completed buyback transactions for a total principal amount of about $298.9 million in 2011.

Derivatives

ADB undertakes currency and interest rate swaps to raise, on a fully hedged basis, currencies needed for its operations in a cost-efficient way while maintaining its borrowing presence in major capital markets. Figures 1 and 2 show the effects of swaps on the currency composition and interest rate structure of ADB's outstanding borrowings as of 31 December 2011. Interest rate swaps are also used for asset and liability management purposes to match the liabilities to the interest rate characteristics of loans.

Figure 1: Effect on Currency Composition

As of 31 December 2011

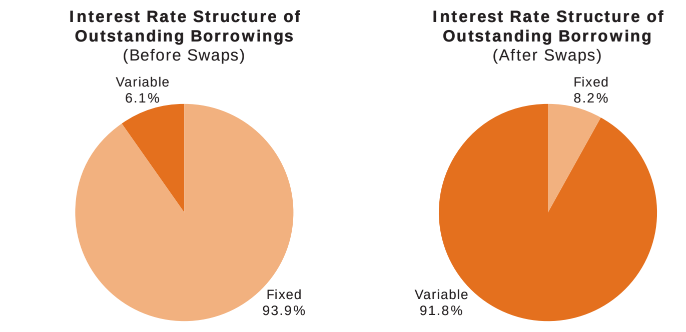


[a] Other currencies include the Brazilian real, Canadian dollar, yuan, Hong Kong dollar, Indian rupee, Kazakhstan tenge, Malaysian ringgit, Mexican peso, New Zealand dollar, Norwegian krone, Philippine peso, pound sterling, Singapore dollar, South African rand, Swiss franc, Thai baht, and Turkish lira.

[b] Other currencies include yuan, Indian rupee, Kazakhstan tenge, and Swiss franc.

Figure 2: Effect on Interest Rate Structures

As of 31 December 2011



Borrowing Operations

ADB is committed to the development of domestic capital markets in its developing member countries.

Local Currency Borrowing

ADB continued to explore and pursue its objective to contribute to the development of regional bond markets and provide the appropriate local currency funding for its borrowers. ADB works closely with the Private Sector Operations Department and regional departments to track local currency financing requirements and, where required, help with financial structuring and pricing aspects of projects. In 2011, ADB executed a cross-currency swap to finance ADB's first sovereign-guaranteed local currency loan denominated in Kazakh tenge.

ADB has established an Asian Currency Note Program and a Malaysian Ringgit Medium-Term Note Program. The amounts that can be raised out of these programs are subject to the annual global borrowing authorization for ADB as approved by ADB's Board of Directors.

Financial Products

Financing Sustainable Economic and Social Development

Ordinary Capital Resource Loans

The outstanding OCR loan portfolio includes a variety of loan products (Table 8). Since 1 July 2001, most of ADB's new OCR loans have been LIBOR-based loans (LBL). Other windows such as pool-based multicurrency loans, pool-based single currency loans, and market-based loans were retired with the introduction of LBL.

LBL products give borrowers a high degree of flexibility through

- choice of currency and interest rate basis,
- repayment options,
- ability to change the original loan terms at any time during the life of the loan, and
- the option to purchase a cap or collar.

LBLs are denominated in euro, yen, or US dollar and can have fixed or floating interest rates. Additional loan currencies may be offered to borrowers from time to time. Initially, LBLs bear a floating rate representing the cost base rate (LIBOR) plus a lending spread. However, the borrower has the option of changing the interest rate basis at any time during the life of the loan. For sovereign loans negotiated before 1 October 2007, the lending spread is 0.60%. In December 2011, the Board of Directors approved, for borrowers of such loans that do not have arrears with ADB, the continuation of the waiver of 20 basis points off the lending spread for interest periods commencing 1 January 2012 up to and including 31 December 2012. An effective contractual spread of 0.20% applies for all sovereign loans negotiated on or after 1 October 2007 up to 30 June 2010. An effective contractual spread of 0.30% applies for all sovereign loans negotiated from 1 July 2010 up to and including 30 June 2011, and an effective contractual spread of 0.40% applies for all sovereign loans negotiated on or after 1 July 2011. For nonsovereign loans, the lending spread is determined on a case-by-case basis to cover ADB's risk exposure to specific borrowers and projects.

To continue meeting borrowers' evolving financial needs, ADB offers the local currency loan (LCL) product. Private sector enterprises and certain public sector entities, including local governments and public sector enterprises,

Table 8: OCR Loan Portfolio by Loan Products

as of 31 December ($ million)

	Sovereign		Nonsovereign	
	2011	**2010**	**2011**	**2010**
LIBOR-based loans				
Outstanding	36,828	32,388	1,965[a]	1,654[a]
Undisbursed	25,789	22,752	2,007[a]	942[a]
Market-based loans				
Outstanding	375	414	49	60
Undisbursed	–	–	–	–
Pool-based Single Currency (¥) loans				
Outstanding	1,971	2,392	–	–
Undisbursed	–	–	–	–
Pool-based Single Currency ($) loans				
Outstanding	5,138	5,857	–	–
Undisbursed	–	–	–	–
Countercyclical Support Facility				
Outstanding	2,500	2,500	–	–
Undisbursed	–	–	–	–
Local currency loans				
Outstanding	150	–	733	647
Undisbursed	–	151	553	726
Others				
Outstanding	12	16	10	5
Undisbursed	–	–	1	7
Total				
Outstanding	**46,972**	**43,567**	**2,757**	**2,366**
Undisbursed[b]	**25,789**	**22,902**	**2,561**	**1,675**

– = nil.

[a] Includes lending without sovereign guarantee to state-owned enterprises.

[b] Undisbursed balances include undisbursed effective loans and loans approved but not yet effective.

Totals may not add up because of rounding.

may avail themselves of LCLs. LCLs aim to reduce currency mismatches in the DMCs. Under the LCL window, borrowers have the option of changing the interest rate basis of an LCL at any time during the life of the loan by requesting an interest rate conversion to fix or unfix their interest rate, subject to regulatory approvals and relevant swap market opportunities available to ADB in the local market.

In December 2011, the Board of Directors approved the introduction of the following maturity premiums for all LIBOR-based loans to sovereign borrowers or with sovereign guarantees and all local currency loans with sovereign guarantees, for which, in each case, formal loan negotiations are completed on or after 1 April 2012: (i) 0.10% per annum on loans with an average loan maturity of greater than 13 years and up to 16 years, and (ii) 0.20% per annum on loans with an average loan maturity of greater than 16 years and up to 19 years. ADB also introduced a limit on the average loan maturity for new sovereign and sovereign-guaranteed loans of 19 years. The average loan maturity is derived on the basis of the weighted average time to repay the loan.

Debt Management Products

ADB offers debt management products to members and entities fully guaranteed by members in relation to their third-party liabilities. In offering debt management products for third-party liabilities, ADB is able to contribute to the economic development of its DMCs by allowing members or guaranteed entities to improve debt management, thereby potentially reducing economic volatility, reducing borrowing costs, improving access to capital markets, and freeing up scarce financial resources for economic development.

Debt management products offered by ADB include currency swaps, including local currency swaps, and interest rate swaps. While currency swaps include the possibility of members or guaranteed entities transforming a foreign currency liability into a local currency liability, the reverse transformation of a local currency liability into a foreign currency liability is not offered.

Nonsovereign Development Activities

In 2011, ADB approved $1,600 million of nonsovereign loans, $89 million in equity investments, $417 million in guarantees, and $200 million in B-loans. As of 31 December 2011, the overall nonsovereign portfolio (inclusive of outstanding balances and undisbursed commitments on equity investments, loans and guarantees) was about $5.6 billion.

Equity Investment

The Charter allows the use of OCR for equity investments in an amount up to 10% of ADB's unimpaired paid-in capital actually paid up together with reserves and surplus, exclusive of special reserves. The total equity investment portfolio for both outstanding and undisbursed approved equity investments—amounted to $1,240.1 million at the end of 2011. This represented about 79% of the ceiling defined by the Charter.

In 2011, six equity investments totaling $239 million were approved, compared with seven equity investments totaling $235 million in 2010. In 2011, ADB disbursed $76.7 million in equity investments, a 60.2% decrease from $192.6 million disbursed in 2010, and received a total amount of $207.4 million from capital distributions and divestments, whether in full or in part, for 38 projects. The divestments were carried out in a manner consistent with good business practices, after ADB's development role in its investments had been fulfilled, and without destabilizing the companies concerned.

Guarantees

To catalyze capital flows into and within its DMCs for eligible projects, ADB extends guarantees for eligible projects which enable financing partners to transfer certain risks that they cannot easily absorb or manage on their own to ADB. ADB's guarantees support infrastructure projects, financial institutions, capital market investors and trade financiers, and cover a wide variety of debt instruments. Guarantees may provide either comprehensive (financial risk) or limited coverage, including political risk.

Guarantees can be provided when ADB has a direct or indirect participation in a project or related sector, through a loan, equity investment, or technical assistance. Guarantee tenors are based on the requirements of the underlying project and are callable when a guaranteed event has occurred. Guarantee fees vary depending on whether ADB benefits from a sovereign counterindemnity or not. Guarantees with a sovereign counterindemnity are priced equivalent to ADB's sovereign lending spread; without a sovereign counterindemnity, they are market priced. If a counterindemnity is partial (that is, it covers only selected risks, amounts, or periods), the final price blends the price applicable for the respective parts. ADB may charge or pay administrative and other fees that are specific to the processing and implementation of a credit enhancement product, consistent with industry practice.

Guarantees can cover many forms of debt instruments, including but not limited to (i) senior, subordinated, mezzanine and convertible debt;

(ii) project or limited recourse financing; (iii) tier 2 capital raised by banks; (iv) shareholder loans; (v) capital market debt instruments; (vi) performance, bid, advance payment and other payment bonds; (vii) letters of credit, promissory notes, bills of exchange or other forms of trade finance instruments; and (viii) other forms of scheduled or contingent liability that constitute debt. Equity instruments are ineligible for guarantee coverage.

ADB offers two primary guarantee products—a political risk guarantee and a credit guarantee—both designed to mitigate risk exposure of financing partners.

In 2011, ADB approved four new guarantees amounting to $416.6 million (three guarantees amounting to $700.0 million in 2010).

Trade Finance Program

The Trade Finance Program which started operations in 2004 consists of three products: (i) a credit guarantee facility, under which ADB issues guarantees to participating international and regional banks to guarantee payment obligations issued by approved DMCs and/or local banks in selected DMCs; (ii) a revolving credit facility, under which ADB provides trade-related loans to DMCs' banks in support of companies' export and import activities; and (iii) a risk participation agreement, under which ADB shares risk with international banks to support and expand trade in challenging and frontier markets. The credit guarantee facility and risk participation agreement are unfunded products while the revolving credit facility is funded.

As of 31 December 2011, outstanding Trade Finance Program loans amounted to $8.8 million (nil in 2010) and guarantees amounted to $579.2 million ($567.1 million in 2010).

Syndications

Syndications enable ADB to mobilize cofinancing by transferring some or all of the risks associated with its loans and guarantees to other financing partners. Thus, syndications decrease and diversify the risk profile of ADB's financing portfolio. Syndications may be on a funded or unfunded basis, and may be arranged on an individual, portfolio, or any other basis consistent with industry practices. In 2011, ADB provided $200 million for two projects through B-loans syndications ($320 million for three projects in 2010).

Special Funds

(as of 31 December 2011)

ADB Special Funds are separate from and additional to funds available for development initiatives through OCR. They are accounted for, and used entirely separately from each other and from OCR.

The funds are used for a range of activities including concessional lending, grants, and technical assistance, with the main goal of reducing poverty in Asia and the Pacific.

All approval processes and administration within Special Funds are subject to the same strict standards that apply to OCR loans.

Asian Development Fund

The Asian Development Fund (ADF) is ADB's concessional financing window for its DMCs with per capita gross national income below the ADB operational cutoff and limited or low creditworthiness. It is the only multilateral source of concessional assistance dedicated exclusively to reducing poverty and improving the quality of life in the region. The ADF has received contributions from 32 donor members (regional and nonregional). Cofinancing with bilateral and multilateral development partners complements the ADF's resources.

In August 2008, the Board of Governors adopted a resolution providing for the ninth replenishment of the ADF (ADF X) and the fourth regularized replenishment of the Technical Assistance Special Fund (TASF). This resolution, which became effective on 16 June 2009, provides for a substantial replenishment of the ADF to finance ADB's concessional program from 2009 through 2012, and for a replenishment of the TASF in conjunction with the ADF replenishment, to finance technical assistance operations under the TASF. The Board of Directors approved the provision of an additional $400 million in assistance for ADF-only countries in

June 2009 and, again in 2010, the release of $162 million for the suspension of Afghanistan's post-conflict phaseout in 2011–2012. At the end of December 2011, the total replenishment size of SDR7.6 billion ($12.0 billion) consisted of SDR7.4 billion for ADF X and SDR0.2 billion for TASF. About 35% of the replenishment will be financed from new donor contributions totaling SDR2.7 billion ($4.2 billion equivalent).

In 2011, 39 ADF loans totaling $2.0 billion were approved, compared with 51 ADF loans totaling $2.2 billion in 2010. Disbursements in 2011 totaled $1.4 billion, a decrease of 11.8% from $1.6 billion in 2010. At the end of 2011, cumulative disbursements from ADF resources were $32.3 billion. Loan repayments during the year totaled $1.1 billion. At 31 December 2011, outstanding ADF loans amounted to $29.5 billion.

In 2011, ADB approved 16 grants (34 in 2010) totaling $596.8 million ($967.2 million in 2010), while 34 grants (21 in 2010) totaling $1,120.6 million ($651.8 million in 2010) became effective, net of $3.6 million ($6.0 million in 2010) in write-backs of undisbursed commitments for completed grant projects.

Technical Assistance Special Fund

The TASF was established to provide technical assistance on a grant basis to ADB's DMCs and regional technical assistance.

In August 2008, as part of the ADF X replenishment, the donors agreed to contribute 3% of the total replenishment as the fourth replenishment of the TASF. The replenishment covers the period from 2009 to 2012.

As of 31 December 2011, 29 donors had committed a total of $328.2 million to the TASF as part of the ADF X and the fourth regularized replenishment of the TASF. Of the total commitment, $217.4 million had been received.

During 2011, Pakistan made a direct voluntary contribution of $0.07 million. In addition, $40.0 million was allocated to the TASF as part of OCR net income allocation, and a total of $41.7 million for the third and fourth regularized replenishments of TASF. At the end of 2011, TASF's resources totaled $1,844.8 million, of which $1,619.7 million was committed, leaving an uncommitted balance of $225.1 million.

Technical assistance commitments (approved and effective) decreased from $134.7 million in 2010 to $111.9 million in 2011 for 172 technical assistance projects that were made effective during the year, net of $19.0 million ($11.8 million in 2010) in write-backs of undisbursed commitments for completed and canceled technical assistance projects. Undisbursed commitments for technical assistance increased to $306.7 million as of 31 December 2011 ($298.6 million as of 31 December 2010). The TASF financed 39.0% of all technical assistance activities approved in 2011.

Japan Special Fund

The Japan Special Fund (JSF) was established in 1988 when ADB, acting as the administrator, entered into a financial arrangement with the Government of Japan, which agreed to make the initial contribution to help ADB's DMCs restructure their economies and broaden the scope of opportunities for new investments, mainly through technical assistance operations.

As of 31 December 2011, Japan's cumulative contribution to the fund since its inception in 1988 amounted to ¥112.9 billion ($973.7 million equivalent), comprising regular contributions of ¥94.8 billion ($822.9 million equivalent) and supplementary contributions of ¥18.1 billion ($150.8 million equivalent). The uncommitted balance, including approved technical assistance that is not yet effective, was $57.4 million as of 31 December 2011.

No new technical assistance projects were approved and one project amounting to $0.7 million was made effective in 2011 (seven technical assistance approvals for $11.7 million and 22 technical assistance made effective for $23.3 million in 2010). The balance of undisbursed commitments as of 31 December 2011 was $38.4 million, compared with $72.5 million as of the end of 2010.

Asian Development Bank Institute

The Asian Development Bank Institute (ADBI) was established in 1996 as a subsidiary body of ADB. ADBI's objectives are the identification of effective development strategies and capacity improvements for sound development management in DMCs.

Its operating costs are met by the ADBI, which ADB administers in accordance with the Statute of ADBI. In June 2011, the Government of Japan made its 17th contribution amounting to ¥675.1 million ($8.4 million equivalent), and the Government of Australia made its second contribution to the ADBI for A$0.5 million ($0.5 million equivalent). In December 2011, Japan committed its 18th contribution of ¥675.1 million ($8.8 million equivalent).

As of 31 December 2011, cumulative contributions committed amounted to ¥20.0 billion and A$1.0 million (about $183.7 million equivalent), excluding translation adjustments. Of the total contributions received, $174.0 million had been used by the end of 2011 mainly for research and capacity-building activities, including (i) organizing symposia, forums, and training sessions; (ii) preparing research reports, publications, and websites; and (iii) associated administrative expenses. The balance of net current assets (excluding property, furniture, and equipment) available for future projects and programs was about $9.7 million.

Asian Tsunami Fund

The Asian Tsunami Fund (ATF) was established in February 2005 in response to the special circumstances surrounding the DMCs stricken by the tsunami on 26 December 2004. The ATF was terminated on 31 December 2010 and all projects were financially completed as of 31 December 2011.

Pakistan Earthquake Fund

The Pakistan Earthquake Fund (PEF) was established in November 2005 in response to the special needs of Pakistan following the earthquake on 8 October 2005. The PEF serves as a dedicated fund to deliver emergency grant financing for investment and technical assistance projects to support immediate reconstruction, rehabilitation, and associated development activities. The PEF was terminated on 30 June 2011 but actions necessary to wind up its activities are continuing.

ADB contributed $80.0 million to the PEF. In addition, Australia, Belgium, Finland, and Norway contributed $15.0 million, $14.3 million, $12.3 million, and $20.0 million, respectively. As of 31 December 2011, PEF resources totaled $146.4 million, of which $141.9 million had been utilized, leaving an uncommitted balance of $4.6 million ($3.9 million as of 31 December 2010).

No new technical assistance or grants were approved or made effective in 2011 and 2010. The balance of undisbursed commitments inclusive of grant advances as of 31 December 2011 amounted to $16.8 million, compared with $26.9 million as of the end of 2010.

Regional Cooperation and Integration Fund

The Regional Cooperation and Integration Fund (RCIF) was established in February 2007 in response to the increasing demand for regional cooperation and integration activities among ADB's member countries in the region. Its main objective is to improve regional cooperation and integration by facilitating the pooling and provision of additional financial and knowledge resources.

ADB contributed $40.0 million to the RCIF as part of the 2006 OCR net income allocation. In May 2010, $10.0 million was transferred to the RCIF from OCR allocable net income. As of 31 December 2011, RCIF resources totaled $53.1 million, of which $48.9 million had been utilized, leaving an uncommitted balance of $4.1 million ($10.4 million as of 31 December 2010).

In 2011, seven technical assistance projects totaling $5.7 million became effective (13 technical assistance projects and one supplementary approval totaling $12.0 million in 2010), net of $0.3 million ($0.1 million in 2010) savings on financially completed technical assistance projects. The balance of undisbursed commitments as of 31 December 2011 amounted to $24.0 million, compared with $29.4 million as of 31 December 2010.

Climate Change Fund

The Climate Change Fund (CCF) was established in April 2008 to facilitate greater investments in DMCs to address the causes and consequences of climate change alongside ADB's assistance in related sectors.

ADB provided the initial contribution of $40 million in May 2008, as part of the 2007 OCR net income allocation. In May 2010, $10 million was transferred to the CCF from OCR allocable net income. As of 31 December 2011, CCF's resources totaled $51.1 million, of which $36.9 million had been utilized, leaving an uncommitted balance of $14.2 million ($19.1 million as of 31 December 2010).

In 2011, net technical assistance and/or grant expenses totaled $4.6 million, comprising two technical assistance, two grants, and one supplementary technical assistance approval totaling $5.1 million that became effective and a $0.4 million write-back for financially completed and/or cancelled projects (six technical assistance, three grants, and two supplementary technical assistance approvals totaling $17.2 million in 2010). The balance of undisbursed commitments inclusive of grant advances as of 31 December 2011 amounted to $23.7 million, compared with $24.4 million as of the end of 2010.

Asia Pacific Disaster Response Fund

The Asia Pacific Disaster Response Fund (APDRF) was established in April 2009 to provide timely incremental grant resources to DMCs affected by natural disasters.

In May 2009, $40 million was transferred from the ATF as the initial resources of the APDRF. With accumulated income from investment and other sources of $0.2 million, total resources of the APDRF as of 31 December 2011 amounted to $40.2 million, of which $27.8 million had been utilized, leaving an uncommitted balance of $12.4 million.

In 2011, five grants totaling $15.0 million became effective (two grants totaling $5.5 million in 2010). The balance of undisbursed commitments inclusive of grant advances as of 31 December 2011 amounted to $3.1 million (nil in 2010).

Grant Cofinancing Activities

Trust funds and project-specific grants are key instruments to mobilize and channel financial resources from external sources to finance technical assistance and components of investment projects. They play an important role in complementing ADB's own resources. Multilateral, bilateral, and private sector partners have contributed more than $4.3 billion in grants to ADB operations. In 2011, grant cofinancing for ADB-approved projects totaled $1,182.9 million comprising $211.4 million for 133 technical assistance projects and $971.5 million for grant components of 27 investment projects.

By the end of 2011, ADB was administering 36 trust funds—29 standalone trust funds and seven trust funds established under financing partnership facilities. Of these, 24 have balances totaling $382 million in grants. Additional grant resources from external partners totaled $253.6 million in 2011, comprising $82.6 million in new contributions and $171.0 million in replenishments to existing trust funds.

Trust Funds Managed by ADB

Japan Scholarship Program

The Japan Scholarship Program (JSP) was established in 1988 to provide opportunities for well-qualified citizens of DMCs to undertake postgraduate studies in economics, management, science and technology, and other development-related fields at selected educational institutions in the region.

The JSP is funded by the Government of Japan and administered by ADB. In 2011, the JSP had 27 participating institutions in 10 countries. Between 1988 and 2011, Japan contributed $125.6 million, and 2,823 scholarships were awarded to recipients from 35 members. Of the total, 2,502 recipients have completed their courses. Women have received 985 scholarships. An average of 150 new scholarships a year have been awarded in the past 10 years.

Japan Fund for Poverty Reduction

The Government of Japan established the Japan Fund for Poverty Reduction (JFPR) in May 2000 to provide grants for projects supporting poverty reduction and related social development activities that can add value to projects financed by ADB. In 2011, the JFPR expanded its scope of grant assistance to provide technical assistance grants in addition to project grants. As of 31 December 2011, the total JFPR funds made available totaled about $504.3 million. The Government of Japan had approved 148 JFPR grant projects ($374.9 million equivalent) and 86 JFPR technical assistance projects ($89.8 million equivalent). ADB had approved 145 grant projects (equivalent to $370.5 million) and 74 technical assistance projects (equivalent to $72.8 million).

ADB Members
(as of 31 December 2011)

Regional

Afghanistan
Armenia
Australia*
Azerbaijan
Bangladesh
Bhutan
Brunei Darussalam
Cambodia
People's Republic of China
Cook Islands
Fiji
Georgia
Hong Kong, China
India
Indonesia
Japan*
Kazakhstan
Kiribati
Korea, Republic of*
Kyrgyz Republic
Lao People's Democratic Republic
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Myanmar
Nauru
Nepal
New Zealand*
Pakistan
Palau
Papua New Guinea
Philippines
Samoa
Singapore
Solomon Islands
Sri Lanka
Taipei,China
Tajikistan
Thailand
Timor-Leste
Tonga
Turkmenistan
Tuvalu
Uzbekistan
Vanuatu
Viet Nam

Nonregional

Austria*
Belgium*
Canada*
Denmark*
Finland*
France*
Germany*
Ireland*
Italy*
Luxembourg*
The Netherlands*
Norway*
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Asia Economic Monitor	www.aric.adb.org

About the Asian Development Bank

ADB's vision is an Asia and Pacific region free of poverty. Its mission is to help its developing member countries reduce poverty and improve the quality of life of their people. Despite the region's many successes, it remains home to two-thirds of the world's poor: 1.8 billion people who live on less than $2 a day, with 903 million struggling on less than $1.25 a day. ADB is committed to reducing poverty through inclusive economic growth, environmentally sustainable growth, and regional integration.

Based in Manila, ADB is owned by 67 members, including 48 from the region. Its main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.

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